ABSTRACT

The present invention provides a promotion pricing system and a related model for producing a value evaluation and recommendation for promotion on a targeted product so as to analyze, evaluate, improve, and design promotions to meet a user's need. The promotion pricing system generates promotion price evaluations and recommendations for each product promotion related to a target product of a user along with associated competing products from the user and competitors. The user can be an individual, an organization, a corporation, an association or any entity providing, including activities related to making, selling, resale, offering for sale, distributing and other commercial conducts, products or service or both in the stream of commerce.

In the preferred embodiment, the promotion pricing system of the presenting invention is comprised of modularization of the necessary analytical steps along with specifications for these modules. These modules cooperate to implement a statistical market response estimation that provide statistically stable, fact-based information on customer response to promotions. The modules further allow data capture to leverage enterprise and supply chain data sources. The modules include a product segmentation module, an incentive translation module, a customer segmentation module, a data aggregation module, a model selection module, a calibration module, an evaluation module, a constraints generation module, a cost structure module, an optimization module, a market channel performance module, and an alert module.